

G.R. & E. Citer

25 November 2003

Review of Rental for Domestic Waterfront Tenancies in NSW
Independent Pricing and Regulatory Tribunal
P.O. Box 4290
QVB POST OFFICE NSW 1230

Dear Sirs,

We have numerous concerns about this matter as follows:

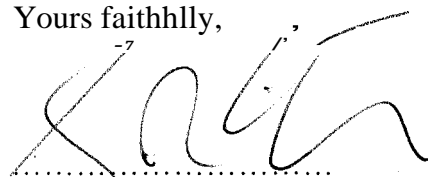
1. **The majority of stakeholders have not been made aware of this review**, and therefore they are not able to exercise their right to make submissions. As the numbers of stakeholders are relatively small, a letter should be sent to each, with full details of the review and with an invitation to make submissions. I only became aware, because a retired neighbour happened to see a small advertisement or article in the "Sydney Morning Herald", but apart from this it seems that the review has not been publicised.
2. **There has been insufficient time allowed for submissions to be made**. This is a complex and specialised issue, and finding an expert to advise us and make a submission on our behalf is not easy. We need more time (another 2 months would suffice).

The formula proposed by the Department of Lands and the Waterways Authority is grossly excessive for the Seaforth area. I cannot comment on other areas, but I spoke to all the Seaforth real estate agents, and the consensus is that a fair current rental value for developed properties is 2% to 2.5%. They were unable to comment on the rental value of undeveloped land, but all agreed that it would be less than for developed land. Therefore **the use of 6% does not accurately reflect the current rental value of undeveloped land**. It may have been a reasonable figure to use many years ago, but as property values have increased substantially in recent years, rental returns have increased at a much slower pace (or in some cases not at all). The Tribunal should call for solid evidence on the current rate of rental returns for waterfront properties in Sydney and in other areas, and not allow the 6% figure suggested by the Department of Lands and the Waterways Authority go unchallenged. **In particular the Tribunal should call for evidence of current rental returns on undeveloped waterfront land**. A number of Seaforth residents are seeking an expert on this subject but it may not be possible to find that person and have him/her make a submission by December 5.

4. **How does one value land that is under water 75% of the time?** The undeveloped land that we lease from the Waterways Authority is only exposed at low tide (photo attached). Should we have to pay for the periods when the land is underwater? We would suggest that **a further 75% discount be applied to allow for the fact that the land in its undeveloped state cannot be used for 75% of the time.** Some other Seaforth residents lease land from the Waterways Authority and which is underwater 100% of the time. How much should they pay?
5. **What discount should be applied where public access is allowed to the leased land?** In the case of jetties (as in the attached photo) members of the public are free to walk under and around such jetties (and they do). What discount should be allowed for such public access (perhaps another 30%)

When we locate a suitable expert in this field, we will wish to make a further submission.

Yours faithfully,



/ G.R. CITER